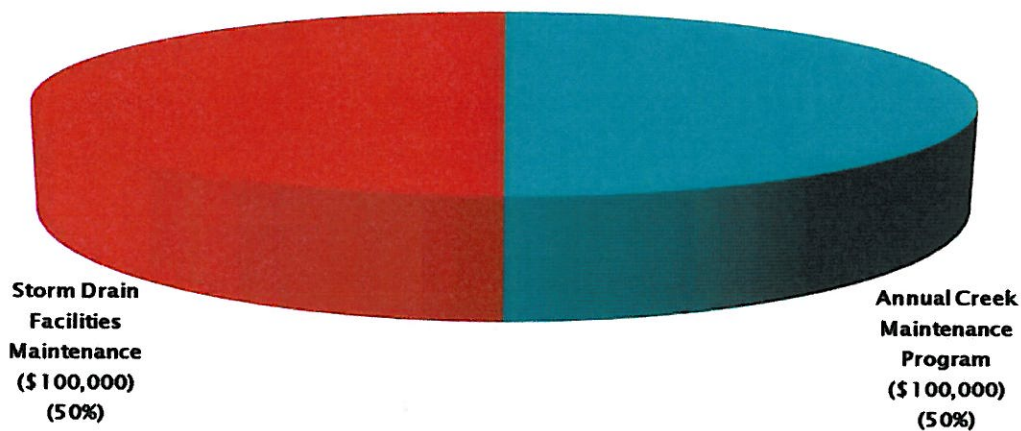


REVENUE SOURCES

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM – NPDES FUND

The City as a participating member of the Contra Costa County Flood Control and Water Conservation District receives NPDES Funds. The City collects these fees through a citywide assessment. Only a portion of the funds is allocated to the CIP. It is projected that \$100,000 per year will be expended for fund eligible NPDES capital programs and projects. The use of NPDES Funds are restricted to approved “NPDES Activities” such as inspection and maintenance of storm drain facilities to reduce, eliminate and prevent stormwater contamination from entering waters of the United States.

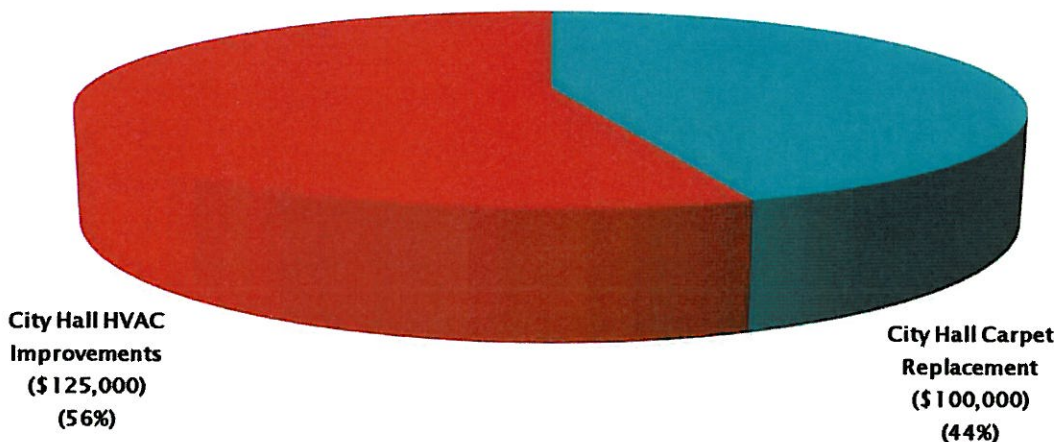
NPDES Fund 19 (\$200,000)



CAPITAL PROJECTS FUND – Building Fund

Funds are used for Capital improvements and large maintenance projects on City-owned buildings and properties. Funding is provided by annual contributions from the General Fund. Two projects will be funded over the next two years;

City Building Fund 20 (\$225,000)



REVENUE SOURCES

MEASURE C - Measure "C" County - Wide Sales Tax

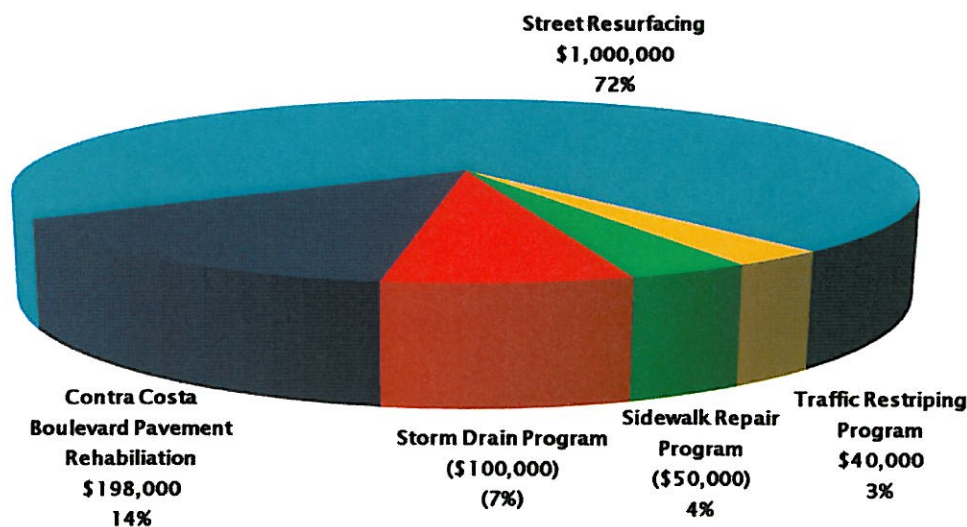
Measure "C" funds commonly referred to as "Return to Source" funds. Return to Source revenues are estimated on an average of \$520,000 annually. A portion of these funds is used to pay for tasks associated with the administration of Measure "C". The current Measure "C" will expire in 2009. The Contra Costa County voters re-approved the half cent tax measure, for the next 25 years, in the November 2004 Measure J ballot.

Return to Source funds "supplement existing revenues being used for transportation improvements and programs." To meet this requirement, the City must continue to maintain street and road expenditures at levels that were reported in the State Controller's Report of Financial Transactions for Streets and Roads - Fiscal Year 1986-87 (adjusted for non-discretionary expenditures). These expenditures are referred to as "Maintenance of Effort" (MOE). Our base year MOE expenditures is \$1,019,834.

If a city does not meet its MOE in a given year, the Return to Source funds will be decreased in the subsequent year by an amount equal to the difference between the MOE and the City's actual expenditures.

An annual calculation must be performed for the Measure "C" MOE and is subject to review by the Contra Costa Transportation Authority. Any extraordinary changes in the level of funding received which would require a revision to the 1986/87 base must be brought to the Transportation Authority's Board for special consideration.

Measure C Fund 27 (\$1,388,000)



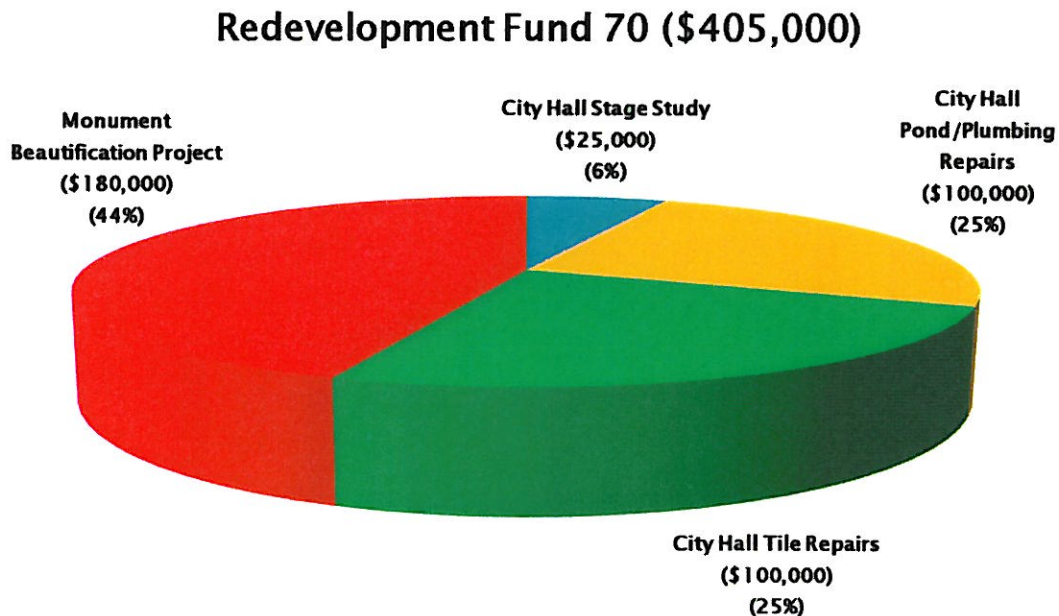
REVENUE SOURCES

TRAFFIC CONGESTION RELIEF FUNDS - State Gasoline Sales Tax

Traffic Congestion Relief Funds (TCRF) is the local jurisdiction's share of state gasoline sales tax. The funds are earmarked for maintenance, rehabilitation, or reconstruction projects on public streets. This fund also has a Maintenance of Effort (MOE) requirement for the original allocation and "use it or lose it" provision. The MOE requires the City to maintain annual General Fund spending on street projects as calculated at the time of the original allocation of TCRF. TCRF revenues will average \$300,000 annually over the next two years. These funds will be used to subsidize our Street Resurfacing Program.

REDEVELOPMENT FUNDS

A portion of redevelopment funds is used for capital improvements within redevelopment areas. Redevelopment fund sources include loans, grants, issuance of tax allocation bonds and tax increment financing. The City of Pleasant Hill's primary revenue sources for Redevelopment Funds is tax incremental financing. As a redevelopment area improves and properties are sold the property tax revenues increase based on reassessed property values. The Redevelopment Agency receives the incremental increase in property taxed minus some government mandated tax allotments that fund other programs. Redevelopment funds will allocate a total of \$405,000 to fund four upcoming CIP projects in the two year budget



REVENUE SOURCES

GRANTS - Other Funding Sources

Grant sources consist of the capital improvement grant funds that are made accessible to local agencies from time to time. In recent years, the City has utilized grants from Federal and State Agencies for various transportation projects. These funding sources continually change as funding programs are discontinued while others are created.

Nearly all grant programs require significant levels of effort for project planning and development before an application is made. The granting bodies then review applications and are ranked using a rational criteria tailored to the goals of the program. An application to a grant program does not assure funding.

Once funding is approved the City must use its own money up front to design and/or build a project. The City must then submit documentation and request for reimbursement. This means that it is important to keep a balance available in applicable funds to front project cost and apply for grant reimbursement in a timely way during and after project completion.

This capital program reflects grants for the next two years for the following projects:

- Golf Club Road Bridge Replacement (GCRBR) - HBRR funds
- GCRBR – Water Line Relocation Project - HBRR funds
- Contra Costa Boulevard Pavement Rehabilitation - STP funds
- Lisa Lane Sidewalk Project - Safe Route to School funds
- Contra Costa Boulevard Sidewalk Project - HSIP funds
- Citywide Bicycle Improvement Plan - TDA funds

To accelerate the implementation of the Capital Improvement Plan and to enable the "leveraging" of existing revenues, the City will continue to pursue grants.

REVENUE SOURCES

Grant & State Prop 1B (\$2,577,000)

